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**MAILED**

MAY 20 2010

OFFICE OF PETITIONS

In re Patent of	:	
JOHN R. SMITH	:	
Patent No. 5,711,357	:	
Issue Date: 01/27/1998	:	
Application No 08/800,785	:	DECISION
Filing or 371(c) Date: 02/14/1997	:	ON PETITION
Title of Invention:	:	
ADJUSTABLE LOG SPLITTING HEAD	:	

This is a decision on the petition under 37 CFR § 1.378(b), to reinstate the above-identified patent, filed February 12, 2010.

The petition is **DISMISSED**.

Any further petition to revive the above-identified application must be submitted within TWO (2) MONTHS from the mail date of this decision. Extensions of time under 37 CFR 1.136(a) are permitted. The reconsideration request should include a cover letter entitled "Petition under 37 CFR 1.378(e)." This is **not** final agency action within the meaning of 5 U.S.C. § 704.

**Background**

The patent issued January 27, 1998. Patentee could have paid the eleven and one half (11½) year maintenance fee between January 27, 2009 and July 27, 2009, without a surcharge, or within the six (6) month grace period between July 28, 2009 and January 27, 2010. Patentee failed to do so; accordingly, the patent became expired on January 28, 2010.

**The present petition**

Patentee/petitioner files the present petition, maintenance fee and surcharge of \$65.00, and explains that on January 20, 2010 he went online to pay the maintenance fee, submitted his banking information to have the sum electronically transferred, and received an error message. Petitioner provides that he re-entered the maintenance fee payment information and the error message came up again. Petitioner next provides that he contacted the maintenance fee branch for assistance, and was advised to file a credit card payment form. Petitioner provides that he transferred the funds on January 22, in order to be able to use his credit/debit card. Thereafter on

January 25, petitioner called the maintenance fee branch to obtain the fax number and faxed the form that day. The next day petitioner provides that he checked his account and did not see the payment had been charged. On January 27, petitioner provides that he called the maintenance fee branch, and expressed his concern because the payment had not been deducted. Petitioner provides that he was informed that he did not have to worry because there was a stamp on his credit card application for January 25<sup>th</sup>, and that the payment had probably not been processed as of yet. Petitioner then asked what would happen if the card did not go through, and avers that he was informed that the Office would call if there was a problem.

Petitioner provides that on February 1, 2010 he again called the maintenance fee branch because the payment still had not been deducted from his account, nor had petitioner received any calls or messages indicating that there were any problems. Petitioner was again told that apparently the card had not been submitted yet and to call back in a couple of days. On February 3, 2010, petitioner provides that he received a letter that the payment had not been accepted and the present patent had expired. Petitioner then telephoned the bank and was told that the debit/credit card automatically have a \$500.00/day limit and that with a call this could be changed immediately.

Petitioner provides that he made every effort to pay the fee by January 27 and made several calls to verify the payment, and was consistently told by the maintenance fee branch not to worry. Petitioner provides further that he never received a call or message that there was a problem with the payment, and had he known of a problem petitioner provides that he could have corrected it with one telephone call.

#### **Applicable Law, Rules and MPEP**

37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent.

#### **Opinion**

Patentee files the instant petition and alleges that the reason for the delay in payment was because he received inaccurate advice from this Office.

Initially it is noted that the maintenance fee, \$2,055.00, was payable between January 27, 2009 and July 27, 2009, and the eleven and one half (11½) year maintenance fee, without a surcharge, was due on July 27, 2009. Thereafter, between July 28, 2009 and January 27, 2010, petitioner was within the six (6) month grace period, and the maintenance fee required a \$65.00 surcharge.

Petitioner states that he went online and first attempted to pay the maintenance fee on January 20, 2007; however, at that time the maintenance fee and surcharge of \$65.00 were required. Petitioner does not state whether he attempted to pay the maintenance fee and surcharge, or the maintenance fee only on January 20, 2010.

Petitioner now submits the present petition and the surcharge of \$65.00; however, the surcharge after expiration is \$700.00 for a petition to reinstate an expired patent based upon an unavoidably delayed payment of the maintenance fee.

Petitioner is advised that before the merits of the petition may be considered, the appropriate surcharge is required. The required surcharge after expiration of the patent where the late payment is asserted to have been unavoidable is currently \$700.00. Petitioner has submitted \$65.00. An additional \$635.00 is required. Petitioner must submit the appropriate maintenance fee and surcharge before a petition under 37 CFR 1.378(b) may be considered on its merits.

It is noted that petitioner is pro se. The following information regarding the unavoidable and unintentional standards, is provided:

#### **The unavoidable and unintentional standards**

##### **A. Unavoidable**

37 CFR 1.378(b) requires a showing that the delay in paying the maintenance fee was unavoidable despite reasonable care being taken to ensure that the maintenance fee would be timely paid. The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly. Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement. (Emphasis supplied).

As language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., “unavoidable” delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. *See Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting *In re Patent No. 4,409,763*, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), *aff’d sub nom. Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff’d*, 937 F.2d 623 (Fed. Cir. 1991) (table), *cert. denied*, 502 U.S. 1075 (1992)). See MPEP § 711.03(c) for a general discussion of the “unavoidable” delay standard.

Because 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. *Ray*, 55 F.3d at 609, 34 USPQ2d at 1788.

That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. *Id.* Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was unavoidable, but only an explanation as to why petitioner has failed to carry the burden to establish that the delay was unavoidable. *Cf. Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960) (35 U.S.C. § 133 does not require the Director to affirmatively find that the delay was unavoidable, but only to explain why applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. *See, Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991) (table), *cert. denied*, 502 U.S. 1075 (1992); *Ray v. Lehman*, *supra*.

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay: *See Patent No. 4,409,763*, *supra*. *See also* Final Rule entitled "Final Rules for Patent Maintenance Fees," published in the *Federal Register* at 49 Fed. Reg. 34716, 34722-23 (August 31, 1984), and republished in the *Official Gazette* at 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable.

Moreover, the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. *Link v. Wabash*, 370 U.S. 626, 633-34 (1962); *Huston v. Ladner*, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); *see also Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by the actions or inactions of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133 or 37 CFR 1.137(a). *Haines v. Quigg*, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987); *Smith v. Diamond*, 209 USPQ 1091 (D.D.C. 1981); *Potter v. Dann*, 201 USPQ 574 (D.D.C. 1978); *Ex parte Murray*, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891). *In re Mattullath*, 38 App. D.C. 497, 514-15 (1912)(quoting *Ex parte Pratt*, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); *see also Winkler v.*

Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

As noted above, a delay resulting from the lack of knowledge or improper application of the patent statute, rules of practice or the MPEP does not constitute "unavoidable" delay.

Also, as noted above, under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office.

Further to this, the MPEP provides:

Delay resulting from the lack of knowledge or improper application of the patent statute, rules of practice or the MPEP, however, does not constitute "unavoidable" delay. See Haines, 673 F. Supp. at 317, 5 USPQ2d at 1132; Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (1891). For example, as 37 CFR 1.116 and 1.135(b) are manifest that proceedings concerning an amendment after final rejection will not operate to avoid abandonment of the application in the absence of a timely and proper appeal, a delay is not "unavoidable" when the applicant simply permits the maximum extendable statutory period for reply to a final Office action to expire while awaiting a notice of allowance or other action. Likewise, as a "reasonably prudent person" would file papers or fees in compliance with 37 CFR 1.8 or 1.10 to ensure their timely filing in the USPTO, as well as preserve adequate evidence of such filing, a delay caused by an applicant's failure to file papers or fees in compliance with 37 CFR 1.8 and 1.10 does not constitute "unavoidable" delay. See Krahn, 15 USPQ2d at 1825. Finally, a delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice or the MPEP is not rendered "unavoidable" due to: (A) the applicant's reliance upon oral advice from USPTO employees; or (B) the USPTO's failure to advise the applicant of any deficiency in sufficient time to permit the applicant to take corrective action. See In re Sivertz, 227 USPQ 255, 256 (Comm'r Pat. 1985). (Emphasis supplied).

Moreover, 37 CFR § 1.2, Business to be transacted in writing, states:

All business with the Patent and Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.

## B. Unintentional

### Petition to reinstate based upon an unintentionally delayed payment of the maintenance fee under 37 CFR 1.378(c)

Petitions under 37 CFR 1.378(c) are less burdensome (statement(s) rather than a showing accompanied by documentary evidence) to file and are evaluated under the less stringent "unintentional delay" standard. Applicants determining whether to file a petition to reinstate an expired patent under 37 CFR 1.378(c) or 1.378(b) should take the following into account: While the Office reserves the authority to require further information concerning the cause of abandonment and delay in filing a petition to reinstate, the Office relies upon the applicant's duty of candor and good faith and accepts the statement that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.378(c) was unintentional" without requiring further information in the vast majority of petitions under 37 CFR 1.378(b). This is because the applicant is obligated under 37 CFR 10.18 to inquire into the underlying facts and circumstances when a practitioner provides this statement to the Office. In addition, providing an inappropriate statement in a petition under 37 CFR 1.378(c) to reinstate an expired patent may have an adverse effect when attempting to enforce any patent. See *Lumenyte Int'l Corp. v. Cable Lite Corp.*, Nos. 96-1011, 96-1077, 1996 U.S. App. LEXIS 16400, 1996 WL 383927 (Fed. Cir. July 9, 1996)(unpublished)(patents held unenforceable due to a finding of inequitable conduct in submitting an inappropriate statement that the abandonment was unintentional).

Even if the Office requires further information in a petition under 37 CFR 1.378(c), such petition is still significantly less burdensome to prepare and prosecute than a petition under 37 CFR 1.378(b). The Office is almost always satisfied as to whether "the entire delay...was unintentional" on the basis of statement(s) by the applicant or representative explaining the cause of the delay (accompanied at most by copies of correspondence relevant to the period of delay). A showing of unavoidable delay will (in addition to the above) require: (1) evidence concerning the procedures in place that should have avoided the error resulting in the delay; (2) evidence concerning the training and experience of the persons responsible for the error; and (3) copies of any applicable docketing records to show that the error was in fact the cause of the delay. See MPEP § 711.03(c), subsection II.C.2. In addition, a petition under 37 CFR 1.378(b) must establish that the delay was unavoidable, and not just that it was unintentional. Thus, many petitions originally filed under 37 CFR 1.378(b) end up being granted under 37 CFR 1.378(c) when the applicant realizes that sufficient evidence concerning the delay is too difficult to obtain or the cause of delay simply does not amount to "unavoidable delay" within the meaning of 37 CFR 1.378(b).

Since the requirements of 37 CFR 1.378(b) are more exacting than the corresponding requirements of 37 CFR 1.378(c), a petition under 37 CFR 1.378(b) is significantly less likely to be grantable as filed than is a petition under 37 CFR 1.378(c). The Office usually must render one interlocutory decision dismissing a petition under 37 CFR 1.378(b) and requesting additional evidence and the applicant either provides a satisfactory showing of unavoidable delay (in which case the petition can be granted) or the Office concludes that the applicant cannot provide a satisfactory showing of unavoidable delay (in which case the petition must be denied). Thus, the period between when an applicant first files a petition to revive and the Office renders a decision

granting (or denying) that petition will, more often than not, be much longer if the petition is under 37 CFR 1.378(b) than it would have been if the petition were under 37 CFR 1.378(c).

The filing of a petition under 37 CFR 1.378(c) cannot be intentionally delayed and therefore must be filed promptly. A person seeking revival due to unintentional delay can not make a statement that the delay was unintentional unless the entire delay, including the delay from the date it was discovered that the application was abandoned until the filing of the petition to reinstate under 37 CFR 1.378(c), was unintentional. A statement that the delay was unintentional is not appropriate if petitioner intentionally delayed the filing of a petition to reinstate the patent under 37 CFR 1.378(c).

### **Petitioner's current options**

#### **I. Petitioner may file a request for reconsideration.**

If reconsideration of this decision is desired, a petition for reconsideration must be filed within TWO (2) MONTHS from the mail date of this decision. The petition for reconsideration should be entitled "Petition for Reconsideration under 37 CFR 1.378(b)." Any petition for reconsideration of this decision must be accompanied by a non-refundable petition fee of \$400 as set forth in 37 CFR 1.17(h). Petitioner must also file the balance of the unavoidable surcharge of \$635.00.

*After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner.* Therefore, it is extremely important that petitioner supply **any** and **all** relevant information and documentation with his request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to 'show' that the delay was unavoidable. Therefore, if a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

#### **II. Petitioner may file a petition stating that the delay was unintentional.**

Petitioner is strongly urged to file a petition stating that the delay was unintentional. Public Law 97-247, § 3, 96 Stat. 317 (1982), which revised patent and trademark fees, amended 35 U.S.C. § 41(a)(7) to provide for the revival of an "unintentionally" abandoned application without a showing that the delay in was "unavoidable." An "unintentional" petition under 37 CFR 1.137(b) must be accompanied by the required fee.

37 CFR 1.378(c) states that "any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in § 1.362(e) and must include:

- (1) The required maintenance fee set forth in § 1.20 (e) through (g);
- (2) The surcharge set forth in § 1.20(i)(2)<sup>1</sup>; and

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<sup>1</sup> Patentee may request that this Office apply the surcharge of \$65.00 submitted as the surcharge for the present petition, to the surcharge for a petition under 37 CFR 1.378(c).

(3) A statement that the delay in payment of the maintenance fee was unintentional.

III. Petitioner may request a refund of the maintenance fee and surcharge which accompanied the petition.

Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section, Director for Patents, PO Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:

By mail:                      Mail Stop PETITIONS  
                                    Director for Patents  
                                    PO Box 1450  
                                    Alexandria, VA 22313-1450

By FAX:                      (571) 273-8300  
                                    Attn: Office of Petitions

By hand:                     Customer Service Window  
                                    Randolph Building  
                                    401 Dulany Street  
                                    Alexandria, VA 22314

Telephone inquiries concerning this matter should be directed to the undersigned at (571) 272-3232.

/Derek L. Woods/

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